

**MINUTES OF APRIL 14, 2016 RETIREMENT BOARD
CITY OF ALEXANDRIA
FIREFIGHTERS AND POLICE OFFICERS PENSION PLAN
INTERIM MEETING**

PRESENT

<u>Members</u>	<u>Others</u>
Michael Cross, ² Chairman, (Fire)	Kadira Coley, Staff
James Davis (Management, Alternate)	Bryan Capelli, Staff
Jean Kelleher ² Secretary (Management)	Arthur Lynch, Staff
Shirl Mammarella ³ (Police, Alternate)	Theresa Nugent, Staff
Rick Muse ³ (Fire, Alternate)	Rich Tobin, Resident
Al Tierney ² (Police)	Sergey Zelensky, Staff
Laura Triggs ³ (Management)	

Absent:

Jack Browand ¹ (Management)

Patrick Evans ¹ (Fire)

Ed Milner ¹ (Police)

Christina Zechman Brown (Management)

¹Purchase of Service Credit Committee

²Technical Corrections and Plan Document Review Committee

³Vendor & Service Provider

CALL TO ORDER

Mr. Cross called the meeting to order at 8:34 AM on Thursday, April 14, 2016.

MEETING RECORD

Mr. Cross noted that he was noted as absent on the February 11, 2016 due diligence meeting. Staff will update the minutes.

Ms. Triggs made a motion to

Approve the February 11, 2016 minutes with the attendance edit noted above.

Mr. Kelleher seconded the motion. The motion was unanimously approved (6 – 0).

Mr. Tierney arrived at 8:47 AM.

ADMINISTRATOR'S REPORTS

Regular Investment Reports

Monthly investment and rebalancing reports were provided in the Board packet. Staff noted that the rebalancing to targets, as approved in the February meeting, was completed effective April 1, 2016 and is reflected in the rebalancing reports. No additional rebalancing is recommended at this time.

Cash Flows Reports

Reports are included in the Board Packet. (Hamilton Lane & PRISA)

Other Items

Education: conferences, seminars and training

As part of the agenda, Staff has included details on upcoming educational opportunities for 2016. New to the listing are the dates for the Mid-Atlantic Plan Sponsors Conference being held in Baltimore on June 8th – 10th. Staff will provide the agenda for this conference when it is available.

COLA

The COLA effective 5/1/2016 was calculated to be 1.37%. Staff provided the exhibit showing how the annual COLA is calculated. This exhibit is also available on the website. Retirees will be notified via mail from Prudential that a COLA will be applied to their May payments.

June Retreat

Staff is seeking feedback and suggestions from trustees to help shape the annual educational retreat. Staff will also be sending out a poll to potentially reschedule the retreat. There are a handful of educational opportunities (CAPPP & MAPS) that conflict with the current retreat date.

COMMITTEE REPORTS

Technical Corrections and Plan Document Review Committee

This committee has a meeting scheduled to discuss a draft amendment. Upon approval by the committee a draft amendment will be brought to the full board.

Purchase of Service Credit Committee

Cheiron has reviewed the calculation sheet created by Staff and has sent some questions that will need to be addressed by the Board. Staff will follow up with the committee on these questions.

Vendor & Service Provider Review Committee

RFPs for the pension legal service, DC investment consultant and administration consultant are being worked on by the Staff and the procurement department.

OLD BUSINESS

USERRA – Cheiron provided the Board with the results of their Fire & Police Military Leave study. In the study Cheiron was asked to estimate the cost to the Plan for the employees who had active military service. They estimated the cost to be \$84,000 or 0.03% for the pension and savings of \$23,000 or 0.01% for disability. It was requested to have Cheiron explain how there could be a cost savings on the disability side when they come to a meeting to present the actuarial results. Trustees also request that Cheiron clarify whether the cost estimates provided are one-time costs or on-going costs.

In an email Cheiron also noted that if the employer and employee contributions had been made the contributions would have been well in excess of the cost of the service. Staff reached out to the AMRS-VA group to get feedback on how others are handling contributions when employees return from military service. The responses from the jurisdictions were provided in exhibit 4(a)(iii).

Discussions highlighted that there are two separate issues that must be addressed: how do we handle future occurrences and how do we handle the past costs that have been accrued. Trustees were interested in the City owning the past costs. Going forward the trustees recommend the employee make up the contributions upon return to work. Staff was instructed to look into whether the employee has the option to not make up the contributions (and thus not receive service credit) and to research what repayment options the participant has including lump sums and length of time for repayments. It was recommended that this be turned over to the Technical Corrections and Plan Document Review Committee.

Discussions continued about the employer contributions. Trustees recommend that the City also make up the employer missed contributions upon the participant's return to work. Staff noted that some jurisdictions will continue to make the employer contributions while the employee is on military leave.

Trustees expressed concern that if the historical costs are not paid by the City then the employee will be paying a portion of the costs that is required to be paid by the City once the contribution rate sharing is implemented. The board also recommended the City pay the cost of the historical active military service as estimated by the actuary. It was clarified that this means the actuarial cost and not the missed contributions.

NEW BUSINESS

Elections

Two positions will be open for elections this year (Firefighter Representative and Police Officer Representative). The terms for each of the positions will run from January 2017 – December 2020.

Staff presented a draft timeline for elections and an updated draft of the election procedures.

Mr. Tierney made a motion to

Approve the election procedures provided in the Board packet with the addition that if the election is uncontested no formal balloting or election is required.

And

Appoint Kadira Coley as the Elections Administrator

Mr. Muse seconded the motion. The motion was unanimously approved (7 – 0).

NEXT MEETINGS

1. Thursday - May 12th at 8:30 AM, Sister Cities 1101, Due Diligence Meeting
2. Thursday – June 9th at 8:30 AM, Sister Cities 1101, Annual Educational Retreat
3. Thursday – July 14th at 8:30 AM, Sister Cities 1101, Interim Meeting

ADJOURNMENT

The meeting adjourned at 9:37 AM.

HANDOUTS - Distributed to Board members in the Board Packet:

Agenda
Minutes of Prior Meeting - February 11, 2016 [1(a)]
Monthly Investment & Rebalancing Report [2(a)(i)]
Private Equity Cash Flow Report [2(a)(iii)]
Real Estate Cash Flow Report [2(a)(iv)]
Upcoming Education Sessions [2(b)(i)]
2016 COLA Exhibit [3(b)(ii)]
USERRA – Cheiron Study [4(a)(i)]
USERRA – Cheiron Study Follow-up Email [4(a)(ii)]
USERRA – AMRS-VA follow-up [4(a)(iii)]
2016 Election Procedures [5(a)(i)]
Elections timetable [5(a)(iii)]